

Senate File 314 - Introduced

SENATE FILE _____
BY BOLKCOM _____

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the establishment of net metering applicable
2 to alternative energy production facilities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2530XS 82
5 rn/gg/14

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1 1 Section 1. NEW SECTION. 476.48 NET METERING.
1 2 1. The general assembly finds that net metering can
1 3 encourage private investment in renewable energy resources,
1 4 enhance the continued diversification of the state's energy
1 5 supply infrastructure, and stimulate economic development and
1 6 job creation.
1 7 2. As used in this section, unless the context otherwise
1 8 requires:
1 9 a. "Alternative energy production facility" means the same
1 10 as defined in section 476.42.
1 11 b. "Avoided cost" means the cost the electric utility
1 12 would have incurred had the electric utility supplied
1 13 electricity itself or obtained electricity from a source other
1 14 than from a qualified customer-generator.
1 15 c. "Demand charge" means a charge based on the maximum
1 16 rate of power use during a specified time period.
1 17 d. "Electric utility" means any entity that furnishes
1 18 electricity to the public for compensation, whether or not
1 19 subject to the rate regulation authority of the board.
1 20 e. "Net metering" means measuring the difference between
1 21 the electricity supplied to a qualified customer-generator and
1 22 the electricity generated by the qualified customer-generator
1 23 and delivered to the electric utility system during an
1 24 applicable billing period, and providing an energy credit to
1 25 the qualified customer-generator in the form of a
1 26 kilowatt-hour credit for each kilowatt-hour of energy
1 27 delivered to the electric utility system.
1 28 f. "Qualified customer-generator" means the owner or
1 29 operator of an alternative energy production facility that is
1 30 eligible for net metering under rules adopted pursuant to
1 31 subsections 3 and 4.
1 32 3. The board shall adopt rules by July 1, 2008, requiring
1 33 all electric utilities to offer net metering to their
1 34 qualified customer-generators. The net metering benefits to a
1 35 qualified customer-generator shall be limited to five hundred
2 1 kilowatt-hours per billing cycle, such that any electricity
2 2 delivered back to the electric utility system beyond five
2 3 hundred kilowatt-hours shall be sold to the electric utility
2 4 system at avoided cost. All electricity delivered to the
2 5 electric utility at less than five hundred kilowatt-hours
2 6 shall be credited to the customer-generator under net metering
2 7 for later use.
2 8 4. If an electric utility's tariff includes a demand
2 9 charge, a demand charge billing credit shall also be provided
2 10 that reduces the demand charge in the same proportion as the
2 11 total energy charge is reduced by the net metered electricity,
2 12 such that if the customer-generator has sufficient net
2 13 metering credit to reduce the energy charge to zero in a
2 14 particular month, the demand charge shall also be reduced to
2 15 zero. The utility shall not apply any other type of charges
2 16 or fees beyond those normally applied to customers not having
2 17 generators.
2 18 5. For purposes of federal and state law providing
2 19 renewable energy credits or greenhouse gas credits, a
2 20 qualified customer-generator shall be treated as owning and

2 21 having title to the renewable energy attributes, renewable
2 22 energy credits, and greenhouse gas emission credits which may
2 23 exist or be established in the future related to any
2 24 electricity produced by the qualified customer-generator's
2 25 alternative energy production facility.

2 26 EXPLANATION

2 27 This bill provides for the establishment of net metering
2 28 applicable to alternative energy production facilities.

2 29 The bill provides that the utilities board shall by July 1,
2 30 2008, adopt rules requiring all electric utilities to offer
2 31 net metering to their customers that generate electricity
2 32 using alternative energy production facilities. As defined in
2 33 Code section 476.42, an alternative energy production facility
2 34 consists of a solar, wind turbine, waste management, resource
2 35 recovery, refuse-derived fuel, agricultural crops or residues,
3 1 or woodburning facility, or a small hydro facility.

3 2 The bill defines net metering to refer to measuring the
3 3 difference between the electricity supplied to a qualified
3 4 customer-generator and the electricity generated by that
3 5 customer-generator and delivered to the electric utility
3 6 system during an applicable billing period, and providing an
3 7 energy credit to the qualified customer-generator in the form
3 8 of a kilowatt-hour credit for each kilowatt-hour of energy
3 9 delivered to an electric utility. A qualified
3 10 customer-generator is defined to refer to an owner or operator
3 11 of an alternative energy production facility that is eligible
3 12 for net metering pursuant to the rules adopted by the
3 13 utilities board under the bill.

3 14 The bill limits net metering benefits to 500 kilowatt-hours
3 15 per billing cycle, such that any electricity delivered back to
3 16 the electric utility system beyond 500 kilowatt-hours shall be
3 17 sold to the electric utility at the cost that the electric
3 18 utility would otherwise incur, but the bill permits
3 19 electricity delivered at less than 500 kilowatt-hours to be
3 20 credited to the customer-generator for later use. The bill
3 21 provides for a comparable reduction in a customer-generator's
3 22 demand charge, defined as charges based on the maximum rate of
3 23 power use during a specified time period, and that an electric
3 24 utility shall not apply any other type of charges or fees
3 25 beyond those normally applied to customers not having
3 26 generators.

3 27 The bill states that for purposes of federal and state law
3 28 providing renewable energy credits or greenhouse gas credits,
3 29 the customer-generator shall be treated as owning and having
3 30 title to the renewable energy attributes, renewable energy
3 31 credits, and greenhouse gas emission credits which may exist
3 32 or be established in the future related to any electricity
3 33 produced by the customer-generator's alternative energy
3 34 production facility.

3 35 LSB 2530XS 82

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